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A Circumstantial Case Against the CIA

When the first draft of his inspector general's report outlining the CIA's defense in the Iran arms scandal reached his desk, acting director Robert M. Gates returned it for more work—an unwitting signal to Republicans in Congress that the CIA may be in trouble.

Gates read the report, sources told us, and sent it back for more specifics on "mistakes made and lessons learned." Those words might mean very little. But they fit ominously with circumstantial evidence that the CIA collaborated too closely with Lt. Col Oliver North in his clandestine operations that never were reported to Congress.

That threatens renewed hard times for the agency that ailing Director William J. Casey brought back from its disrepute of the '70s to the leading role in the Reagan Doctrine of the '80s. In fact, that resurrection underlies the case against the CIA now being made on Capitol Hill. Its role in fleshing out the Reagan Doctrine, particularly with the Nicaraguan contras, makes Congress suspicious about whether the agency always has operated within strict boundaries of legality.

No smoking gun has been found. Congressional watchdogs carefully describe the case against the CIA as strictly circumstantial. They have no evidence—as yet—that the CIA knew about diversion of Iran arms money to the contras, and the CIA denies any knowledge.

But the string of circumstances creating suspicion is long. It starts with a secret phone call from then-National Security Council aide North a little over a year ago to a prominent conservative Republican on the Senate Judiciary Committee.

North complained about the long delay caused by a handful of conservative Republicans' blocking the nomination of then-CIA general counsel Stanley Sporkin, a liberal Democrat, to a federal judgeship. As the recipient of the call remembers the conversation, North told him a gross disservice was being done Sporkin.

"Sporkin is one of us," North said, outlining how at the CIA he had wrought a miracle in threading a legal path for the agency to keep supply lines running for the contras without violating the now-expired Boland Amendment, which barred "direct or indirect" U.S. funding of military aid. Without Sporkin's legal brilliance, North is recalled as saying, the contras would be finished.

North's clout, officially as the NSC staff emissary handling the contra account and very unofficially as CIA surrogate, was enough to send the nomination to the Senate floor. Sporkin was confirmed as a federal district judge on Dec. 16, 1985.

That year-old incident suggests how intimately the CIA, through Ollie North, was tied into contra resupply—essential to prevent Reagan's anti-Sandinista policy from collapsing long before it could have a chance to succeed. "The CIA designed the policy," a Capitol Hill Republican told us, "and North carried it out."

Then in January 1986, Casey and the CIA were powerful enough to override two of Reagan's senior Cabinet officers, Secretary of State George Shultz and Secretary of Defense Caspar Weinberger, on Iranian policy. The agency designed a new, U.S.-managed (as contrasted to the earlier Israeli-managed) arms transaction with Tehran.

Not until December 1985 did the CIA accept Israeli predictions that with U.S. arms, hostages in Lebanon would be freed. But one month earlier, the agency did agree to a sudden appeal from North for an aircraft to rush arms (apparently described by North to the CIA as oil-drilling equipment) to Tehran. The aircraft was quickly obtained from Southern Air Transport, the same CIA-contract airline used in the contra resupply.

Without telling North, CIA operatives tracked every step of his ubiquitous journeys to advance the Reagan Doctrine: to Jamba, Angola, headquarters of Jonas Savimbi's anticommunist movement; to Iran to seek U.S. hostages and secretly skim arms-sale profits for the contras; to Europe to plot with Israelis and Arabs in the Iran arms deals.

Reports to the CIA on persons contacted by North and conversations he held came from CIA and allied intelligence agents. The purpose, in the opinion of congressional sources, was clear: keep the agency on top of North's dealings but at arm's length, preserving CIA deniability.

As these circumstantial links mount, Casey recuperates from brain tumor surgery. President Reagan is not about to name a successor unless his longtime political supporter himself gives the word. The vacancy adds an extra burden in the CIA's coming time of trials as three major probes begin. CIA allies in Congress hope the agency comes through with flying colors, but accumulating circumstantial evidence alarms them. In a climate of shadows and suspicions, their fears were heightened when Gates returned the inspector general's report for more work.